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(1st Semester)

ECONOMICS

Paper No. : ECO–101

(Microeconomics—I)

Full Marks : 70   Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Distinguish between positive economics and normative economics.   4½+4½=9

Or

(b) Discuss the basic problems of an economy.   9

2. (a) What are the two components that Slutsky's equation deals with? Write a short note on Slutsky's equation.   2+7=9

Or

(b) Distinguish between utility and ordinal
utility. 4½+4½=9

3. (a) Briefly discuss the three stages of the
law of variable proportion. 9

Or

(b) What do you mean by least cost
combination? Discuss price and output
decision for two firms when one of the
firm is a least cost firm. 2+7=9

4. (a) Discuss the shapes of the cost curves
under traditional and modern theory of
cost. 4½+4½=9

Or

(b) Long-run average cost curve is an
envelope cost. Discuss. 9

5. (a) Discuss the nature of welfare economics
and the role of value judgement in
welfare economics. 9

Or

(b) Discuss Pareto optimality. 9

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(1st Semester)

ECONOMICS

Paper No. : ECO–101

(Microeconomics—I)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(*Marks* : 15)

A. Put a Tick (✓) mark against the correct answer :

1×10=10

1. In modern theory of cost, average cost curve is a/an

   (a) L-shaped   (   )

   (b) U-shaped   (   )

   (c) None of the above   (   )

   (d) All of the above   (   )

/5

2. A variable cost is not related to

   (a) short run   (   )

   (b) long run   (   )

   (c) Both the options *(a)* and *(b)* are correct   (   )

   (d) Both the options *(a)* and *(b)* are wrong   (   )

3. Positive economics is concerned with

   (a) what is morally right   (   )

   (b) profit motives   (   )

   (c) Both the options *(a)* and *(b)* are correct   (   )

   (d) Both the options *(a)* and *(b)* are wrong   (   ) .

4. In an indifference, the utility derived by consumption of the two goods is

   (a) constant   (   )

   (b) variable   (   )

   (c) Cannot be determined   (   )

   (d) None of the above   (   )

5. Demand curve of a normal good has a slope which is

(a) negative   (   )

(b) positive   (   )

(c) undetermined   (   )

(d) None of the above   (   )

6. Production function is a/an

(a) input-output relationship   (   )

(b) optimum output from the use of inputs   (   )

(c) factor-product relationship   (   )

(d) None of the above   (   )

7. Any cost curves are the function of

(a) output   (   )

(b) input   (   )

(c) Both (a) and (b)   (   )

(d) Neither (a) nor (b)   (   )

8. In utility analysis, cardinal utility means

    (a) utility can be counted with its units ( )

    (b) utility cannot be counted   ( )

    (c) utility should be derived by guessing ( )

    (d) utility cannot be determined at all ( )

9. "Economics is a study of human behaviour as a relationship between ends and scarce means which have alternative uses." This definition is given by

    (a) Alfred Marshall   ( )

    (b) Adam Smith   ( )

    (c) L. Robbins   ( )

    (d) A. C. Pigou   ( )

10. The absolute value of price elasticity of demand ranges between

    (a) 0 and 1   ( )

    (b) +1 and −1   ( )

    (c) 0 and ∞ ( )

    (d) −1 and 0   ( )

(5)

B. Indicate *True (T)* or *False (F)* by a Tick (✓) mark :

1×5=5

1. Unlimited wants of the people is an economic problem.

(T / F)

2. Consumer surplus should be analyzed from a demand curve.

(T / F)

3. The law of variable proportion is a long-run concept.

(T / F)

4. The shape of average cost curves in both the traditional and modern theory of cost is the same.

(T / F)

5. Pareto optimum is also called economic efficiency.

(T / F)

SECTION—II

(*Marks* : 10)

C. Answer/Write short notes on any *five* of the following : 2×5=10

1. Demand elasticity

2. Define production function.

3. Engel curve

4. Fixed cost curve

5. Factor substitution

6. Cost function

7. Individual welfare

8. What are the concepts of social welfare?

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